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*J.W.* STAT  
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[REDACTED] SAYS THIS IS ONE  
OF A LIST, WHICH HE GAVE COLBY,  
OF MAC ITEMS ON WHICH SOME  
RESPONSE IS IN ORDER. IT IS  
NOT ON A DEPUTIES LIST AT  
THE MOMENT. I SUGGEST WE  
SEND A SHORT RESPONSE TO  
EX-D.R. FOR NOW AND THEN  
INCLUDE GENERALLY IN THE  
OVERALL PACKAGE -

B.

TRY THE ATTACHED FOR SIZE -

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MEMORANDUM FOR: Executive Director-Comptroller

SUBJECT : Maintaining Employee Morale in Periods of Austerity

REFERENCE : Memo dtd 18 Nov 71 to ExDir-Compt fm Management  
Advisory Group, subj: Short-Term Measures to  
Maintain Employee Morale in Periods of Austerity

1. The MAG paper makes several interesting suggestions. For the most part, however, they are not new or novel and have either been overtaken by events or are continuously being studied. Since we understand that this subject is not now a pending agenda item for a Deputies meeting, I have not taken time to record lengthy Support Directorate explanations and comments about the various ideas recorded in the referent memorandum.

2. Nevertheless, we are continuing to consider some of the MAG suggestions in our efforts to improve Agency career and executive development programs and other personnel management practices.

John W. Coffey  
Deputy Director  
for Support

*[Handwritten signature of John W. Coffey]*

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7 DEC 1971

TO : Mr. Robert Wattles  
FROM: Harry B. Fisher

Some Thoughts on 18 November 1971 MAG Paper for Further Discussion

Most of the measures recommended are based on anticipated austerity following the announcement of a 5 percent cut in personnel and a rollback in average grade. Since we have received some relief, I do not believe all measures suggested have current application. Following are comments keyed to MAG recommendations.

2. A. Need for Standardization and Coordination of Personnel Policies. This recommendation boils down to continuing deliberation on promotions and standardized application of promotion policies in all Directorates. We may also assume that MAG would also like to see some standardization, in these difficult times, of surplus procedures to eliminate overstrengths. The four Deputies are acting under the same guidance from the top insofar as promotions and surplus actions are required, but obviously headroom and overstrength situations vary greatly--bearing as they do a direct relationship to current and previous reductions in strength.

B. Additional Emphasis on Effective Management-Employee Communications. I believe we are all making a real effort in this direction. The two Notices issued on the cuts were certainly written in an effort to keep employees currently informed. I am afraid, however, that there is some lack of communication on promotion policy in various components. The need for better communication is too obvious to need anything but "we agree completely."

C. Assignments. This suggestion implies that qualifications are not key in the selection process and that fairness is a missing factor. I am sure there are some unfortunate cases where this is true--but I would like to believe they are few indeed.

D. Retirement. This one is a more complex recommendation. I am not sure what they mean by soon-to-be retired--another one, two or three years? We certainly have a good many people who can be fully productive in key jobs right down to their last day of duty--I, therefore, don't like this generalization. "Release from duty with compensation" brings up legal and moral problems. We are working up a paper on training for retirees in preparation for careers outside the Government. I believe we have a sound basis for such action but I would hope much of this can

be accomplished after retirement. This too may raise legal problems and we may have to carry many in a duty status while they are receiving training. Finally, those we are trying to encourage to leave early are not generally the ones we want in a "reflective" capacity.

E. Continuing Consideration of Promotions and In-Grade Increases

and

F. Personnel File Notations of Freeze Actions or Inactions. Both of these suggestions have been overtaken by events. The freeze is over and was relatively short term.

G. Hiring at Lower Grades. This is a step initiated when we believed we were facing an average grade rollback. To the extent that we can hire at lower grades and still get the very best people available we will continue to do so--obviously this is not going to be possible in all disciplines.

H. Expanded Use of Training. This is a motherhood type statement. We all are for more and better training both internally and externally. There are practical reasons why limits must be imposed--particularly with reductions in personnel but not in workload.

I. Expansion of Orientation Trip Programs. This suggestion has little validity, in my opinion, as an offset to lack of promotion. I have no real basis for commenting on the present time between trips for analysts or the shortness of duration of such trips. I believe this is a question for the DD/I.

J. Fair Treatment for Minorities. I am sure we all agree.

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Harry B. Fisher

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18 November 1971

MEMORANDUM FOR: Executive Director-Comptroller  
SUBJECT: Short-Term Measures to Maintain Employee Morale in Periods of Austerity  
REFERENCE: MAG Memorandum "Maximizing Program and Manpower Productivity," 11 November 1971

1. In discussions accompanying the preparation of referent memorandum, MAG also considered the immediate potential threat to employee morale posed by current budget and personnel reductions. While we believe a broader long-term approach toward maximizing program and manpower productivity is required, short-term measures may help to meet the current directives.
2. Such steps as those outlined below, stressing improved communication and expanded use of non-pay incentives, can play a significant role in improving employee performance and reducing negativism during austere periods:

A. Need for Standardization and Coordination of Personnel Policies. MAG understands that a great deal of leeway in personnel management is permitted the four Deputy Directors. While this latitude has some advantages in permitting tailoring of policies to particular Directorate needs, standardization and coordination are essential in extraordinary periods such as those brought on by BALPA, OPRED and the current cuts. For example, if there is no policy precluding promotion consideration, even though promotions cannot be made effective immediately, all Directorates should be urged to continue promotion deliberations so that the process of ranking and evaluating personnel will continue.

B. Additional Emphasis on Effective Management-Employee Communication. Particularly during austere periods, Management should make a strong effort to

insure that employees receive timely and correct information about financial and personnel management matters. In the case of the DDP, particular effort should be made to alert the employees under cover to major policy decisions and actions of his cover company or organization. More exposure of Management to the employee through speaking programs, briefings, and even written notices would be helpful.

C. Assignments. Qualifications (including experience and development potential) should dominate the selection process. Fairness is essential.

D. Retirement. Choice assignments should not be awarded to soon-to-be retired officials. If the Agency has a moral obligation to ensure eligibility for retirement, the Agency should find some way to fulfill that obligation. Release from duty with compensation until retirement would be a relatively cheap trade off in many cases, and might even give some people a better chance at non-Agency jobs by releasing them at an earlier age. On the other hand, many of these soon-to-be retired officials may have the visionary talents required for Agency long-term planning. If so, they could be removed from the command channel to a reflective or "RAND-type" assignment which conceivably could be arranged on a contract basis.

E. Continuing Consideration of Promotions and In-Grade Increases. All promotions and in-step increases should be considered and submitted as in normal times.

F. Personnel File Notations of Freeze Actions or Inactions. An official entry should be made in the personnel file of each employee whose promotion or in-grade increase has been delayed as a result of a freeze. This point is particularly important if a freeze turns out to be long term.

G. Hiring at Lower Grades. The average grade at which new employees are brought in should be reduced in functional categories where supply and

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demand permit. With lower starting grades, there would still be room in the system for some relatively quick initial promotions, always a boost to morale.

H. Expanded Use of Training. MAG recommends expanded use of training as an aid to motivation and as a means of improving and developing employee skills. Many Agency employees would respond favorably to a policy which actively encouraged more exposure to the Agency courses which have high reputations (e.g., Mid-Career, Advanced Intelligence Seminar, Senior Seminar, and sections of the CT program). There would be some benefit for selected employees and the Agency, if certain Directorate courses were opened to wider Agency participation; e.g., exposing some DDI and DDS&T analysts to specialized DDP training. The Agency should be more aggressive in encouraging career-related training at outside institutions, as well. However, persons nearing retirement should be excluded from this expanded training program.

I. Expansion of Orientation Trip Programs. Management should review its policy and procedures toward orientation trips. If budgets permit, expansion of this program could be especially useful during austere periods when promotions are reduced. The time between trips for analysts is already too long, and their duration too short to be of optimum use to the analyst or to the Agency.

J. Fair Treatment for Minorities. During austere periods it is particularly important that minority employees (by race and sex) receive fair treatment.

THE MANAGEMENT ADVISORY GROUP

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30 November 1971

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NOTE FOR: Mr.

I was discouraged in the depths of the MAG paper. Each point could be discussed at some length. However, because of time limitations I have noted a few of my thoughts on each point as follows:

A. I believe the Executive Director -Comptroller, the Office of Planning, Programming and Budgeting, the Director of Personnel and the four Deputy Directors certainly coordinated and are fully knowledgeable of the BALPA, OPRED and current cuts as noted. Furthermore, I believe there is firmly established a position by the Agency on promotion policies with each Directorate having a management tool (Career Service Grade Authorization) as their guide for administering such promotions.

B. I think every effort is being made to improve employee communications. For example on 17 November the Director spoke to the Information Services Division group in the auditorium discussing a variety of management problems. I also hear that

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 Chief/Far East Division, is planning to meet with his entire Division next Thursday and brief them. The Deputy Director for Support is certainly doing everything possible to improve communications by all types of media and possibly the resurrection of the Support Bulletin. I don't know whether the question on cover is official or unofficial. If it is official, they are privy to all communications being sent to the field. If unofficial, I am sure that this is something that must be developed during the coming years.

C. I would hope that qualifications are always the dominant factor in selection of personnel for assignments and promotions.

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D. If the person is qualified to do the job whether he is 53 or 58 or on the eve of his retirement, I believe that is the most important factor. I think this could have a reverse effect if every person about to retire is put off in a corner for his last few years after having served two or three decades for the Government and/or the Agency doing a productive-type job. On the other hand if an officer is over-the-hill and is not productive, he should be assigned and handled based on his qualifications and not on whether he is about to retire.

E. I believe that this is being taken care of on a regular schedule and I see no problem at this time.

F. I questioned whether this is a valid recommendation since the freeze was for 90 days and was Government-wide.

G. This may be a point worth considering, however, it also may have a reverse effect on the new recruit when he finds he was hired at a lower grade than some of his colleagues who had the same qualifications. It may help the morale of the troops on board but may backfire on those entering on duty.

H. No question that the expanded use of training would be a factor in improving the morale of the troops also liberalization of the full-time academic training program.

I. This is I am sure a DD/I recommendation and I have also had a question mark in my mind as to the orientation trips that they sponsor but it may be something that should be considered but seems only a few would benefit.

J. Concur in this recommendation.

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Attachment

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